



THOMAS L. GARTHWAITE, M.D.  
Director and Chief Medical Officer

FRED LEAF  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

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May 27, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 3 TO DIETARY  
SERVICES AGREEMENT WITH SODEXHO OPERATIONS, LLC**  
(Fourth District) (3 Votes)

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Chairman of the Board of Supervisors to sign the attached Amendment No. 3 to Agreement No. 68444 with Sodexho Operations, LLC (Sodexho), formerly known as Sodexho USA West Division, for the provision of dietary services at Rancho Los Amigos National Rehabilitation Center, effective July 1, 2004 through December 31, 2004 for a total maximum obligation of \$1,908,072.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

In approving this action, the Board is authorizing the Chairman of the Board of Supervisors to sign Amendment No. 3 to Agreement No. 68444 with Sodexho to continue the provision of dietary services at Rancho Los Amigos National Rehabilitation Center (Rancho) on a month-to-month basis for a period of six (6) months, effective July 1, 2004 through December 31, 2004.

The Department of Health Services (DHS) has been contracting out Dietary Services under provisions of County Code 2.121.250 *et seq.*, "Contracting with Private Businesses" (Proposition A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its health care functions.

The requested term extension will allow time to complete a Request for Proposals (RFP) which is currently being prepared. The RFP is scheduled to be released in June 2004.

FISCAL IMPACT/FINANCING:

The maximum obligation of Amendment No. 3, effective from July 1, 2004 through December 31, 2004, is \$1,908,072, net County cost.

Funds have been included in the FY 2004-05 CAO Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On July 18, 1995, the Board Approved Agreement No. 68444 with Sodexho to provide dietary services at Rancho, effective August 1, 1995 through July 31, 1996, with provisions for six one-year automatic renewals and a six-month automatic renewal, with an expiration date of January 31, 2003.

Amendment No. 1, approved by the Board on January 21, 2003, extended the term of the Agreement from February 1, 2003 through June 30, 2003 while the Board considered the status of Rancho.

On May 27, 2003, the Board approved Amendment No. 2, extending the term of the Agreement from July 1, 2003 through June 30, 2004, in order to maintain operations, in compliance with the orders of the District Court.

Sodexho is currently providing approximately 528,000 patient meals annually.

Contract monitoring functions will be performed by Administrative staff at Rancho and the DHS Contract Monitoring Division.

This Amendment was not scheduled for placement on the Board's agenda three weeks prior to its effective date due to the review and approval process for Contractor's proposed budget.

County Counsel has approved Amendment No. 3 as to form.

The contractor is in compliance with all Board mandated provisions.

CONTRACTING PROCESS:

DHS is in the process of completing a solicitation for Dietary Services at OV/UCLA MC, Harbor-UCLA Medical Center, Martin Luther King, Jr./Drew Medical Center and Rancho and anticipates that this RFP process will be completed prior to the expiration date of Amendment No. 3.

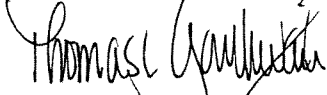
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval will allow for the continued provision of dietary services at Rancho during the solicitation of a new dietary services contract.

The Honorable Board of Supervisors  
May 27, 2004  
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite", written over a horizontal line.

Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:amb

Attachments (1)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller

BLET:CD3323.amb  
04/15/04

## ATTACHMENT A

### SUMMARY OF AGREEMENT

1. Type of Services:

Dietary Services at Rancho Los Amigos National Rehabilitation Center (Rancho).

2. Agency Name/Address/Contact Person:

Sodexho Operations, LLC  
3033 5<sup>th</sup> Avenue, Suite 335  
San Diego, CA 92103  
Attention: Calvin Johnson, Vice President  
Telephone: (619) 296-6433

3. Term:

The term of Amendment No. 3 to Agreement No. 68444 will become effective July 1, 2004 through December 31, 2004.

4. Financial Information:

Funds are being requested in the Fiscal Year 2004-05 Proposed Budget. The total maximum obligation for the six month extension is \$1,908,072.

5. Person Accountable for Program Monitoring:

Marie Ketcheshawno, Contract Liaison, Rancho  
Telephone: (562) 401-7362

6. Approvals:

Rancho: Valerie Orange, Acting CEO

Contract Administration: Irene E. Riley, Director

County Counsel (approval as to form): Elizabeth Friedman, Senior Deputy County Counsel

BLET/CD3323.amb  
04/15/04

Contract No. 68444

AGREEMENT FOR DIETARY SERVICES  
AT RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER

AMENDMENT NO. 3

THIS AMENDMENT is made and entered into to this \_\_\_\_\_ day  
of \_\_\_\_\_, 2004,

by and between the

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

SODEXHO OPERATIONS, LLC  
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled  
"AGREEMENT FOR DIETARY SERVICES AT RANCHO LOS AMIGOS MEDICAL  
CENTER", dated July 18, 1995, and further identified as County  
Agreement No. 68444, extension letter dated February 21, 2002,  
and any Amendments thereto, (all hereafter referred to as  
"Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend  
Agreement to extend its term and to make the changes described  
hereinafter; and

WHEREAS, said Agreement provides that changes may be made in  
the form of a written amendment which is formally approved and  
executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2004.
2. The term of this Agreement is hereby extended on a month-to-month basis for a maximum of six (6) months, from July 1, 2004 through December 31, 2004, unless sooner terminated by County.
3. That Schedule 3 be revised and replaced with Schedule 4, attached to this Amendment and incorporated in Agreement by reference.
4. That Paragraph 76, CONTRACTOR RESPONSIBILITY AND DEBARMENT, be added to the Agreement as follows:

"76. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this Agreement or other Agreements which indicates that Contractor is not responsible, County may in addition to other remedies provided in the

Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time not to exceed three (3) years, and terminate any or all existing Agreements Contractor may have with County.

C. County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of an Agreement with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform an Agreement with County any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. These terms shall also apply to (sub-contractors/subconsultants) of County Agreements."

5. That Paragraph 77, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, be added to the Agreement as follows:



"77. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Agreement are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b)."

6. That Paragraph 78, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, be added to the Agreement as follows:

"78. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 77, "Contractor's Warranty of Adherence to County's Child Support Compliance Program", shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 37, "Termination for Default", and pursue debarment of Contractor, pursuant to County Code Chapter 2.202."

7. That Paragraph 79, CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT, be added to the Agreement as follows:

"79. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT: Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is

the County's policy to encourage all County Contractor's to voluntarily post the County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the Contractor's place of business. The County's Child Support Services Department will supply Contractor with the poster to be used."

8. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chairman and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

SODEXHO OPERATIONS, LLC  
Contractor

VIOLET VARONA-LUKENS  
Executive Officer of the  
Board of Supervisors of the  
County of Los Angeles

By \_\_\_\_\_  
Title: \_\_\_\_\_

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE  
COUNTY COUNSEL

By \_\_\_\_\_  
Senior Deputy County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

By \_\_\_\_\_  
Irene E. Riley, Director  
Contract Administration

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AMENDCD.AMB

SCHEDULE 4

CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE

Contractor's Six-Month Budget (July 1, 2004 through December 31, 2004) to Deliver 38,001 - 44,000 Meals Per Calendar Month

Labor Costs	\$ 936,438
Raw Food Costs	\$ 575,514
Materials; Services and Supplies	\$ 104,376
Equipment Costs	\$ 44,478
Other Expenses	\$ 123,870
Equip Maintenance and Repair Costs	\$ 8,988

Subtotal	\$1,793,664
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Sales Tax Liability	\$ 3,504
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A. Contractor's Six Month Budget (7/1/04 - 12/31/04):	\$1,797,168
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B. Special Function Meals	\$ 47,232
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C. Incidental Food and Supplies	\$ 8,772
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D. Patient Tube Feeding Products	\$ 54,900
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E. Contractor's Total Six-Month Budget	\$ 1,908,072
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